

“Cut, Cap and End Medicare” Bill: Republican Budget Repeat

Meet the New GOP Plan to End Medicare: Same as the Old GOP Plan to End Medicare

“The “Cut, Cap, and Balance Act” that the House of Representatives will vote on next week stands out as one of the most ideologically extreme pieces of major budget legislation to come before Congress in years, if not decades.” [Center on Budget and Policy Priorities, [07/16/11](#)]

Today, Republicans are wasting time on their “Cut, Cap and End Medicare” bill, bringing it to the House Floor for a symbolic vote, despite the fact that it is expected to fail in the Senate and the President will veto it. While Democrats are calling on Republicans to act quickly to enact a large agreement to reduce the deficit and ensure America pays its bills, Republicans are pressing forward with an extreme proposal that increases our chances of default and is the Republican budget all over again: it ends Medicare and drastically cuts Medicaid, while preserving tax breaks for the wealthy.

Democrats believe we must reduce the deficit and give certainty to businesses and the markets but the “Cut, Cap and End Medicare” bill does not reduce the deficit in a balanced way and moves us closer to default. The bill:

- Requires the same immediate and steep spending cuts included in the Republican budget that would harm economic growth and cost jobs,
- Caps total spending at levels that have historically rarely been achieved,
- And increases the chances of U.S. defaulting on its obligations by requiring a “balanced budget amendment” to pass the House and Senate and be sent to the states for ratification before raising the debt ceiling.

The “Cut, Cap and End Medicare” bill is not a serious plan to address the deficit and ensure America pays its bills and is nothing more than political theatre. By bringing this symbolic vote to the Floor today, Republicans are wasting time we don’t have.

Already, all three major credit rating agencies have warned of a credit rating downgrade if we fail to pay our nation’s bills by August 2nd:

“Another major bond rating firm on Monday reiterated its threat to downgrade the U.S. government to a B-plus rating if the debt ceiling isn’t raised by August 2 and the government defaults on its debts. The warning from Fitch Ratings comes after Moody’s and S&P warned last week that they would lower the U.S. rating from the top mark of AAA if the country is unable to repay its debts next month.” [Politico, [07/18/11](#)]

And financial experts continue to warn of the dire consequences of default:

“Without a debt limit increase by the Treasury’s Aug. 2 deadline, budget experts say the country’s budget woes could actually get worse by raising borrowing costs. ‘Paradoxically, not raising the debt limit could make the deficit worse,’ said Jerome Powell, a former Treasury official in the George H.W. Bush administration and now a visiting scholar at the Bipartisan Policy Center.” [Roll Call, [07/18/11](#)]

“But financial experts say hitting the debt ceiling or coming really close to it would destabilize the markets and the economy. Just how dire the consequences would be is difficult to predict, but many Americans could feel the impact almost immediately.” [Politico, [07/18/11](#)]

With only two weeks until a potential government default, Democrats are calling on Republicans to abandon their ideological agenda and work with us so that we can enact a large, balanced package to ensure we pay our nation’s bills and reduce the deficit. Rather than risking our economic security and walking away from a real opportunity to reduce the deficit, Republicans need to work with Democrats on a balanced agreement so that we can give businesses and the markets certainty and ensure we do not increase the deficit by failing to pay America’s bills.

Office of Democratic Whip Steny H. Hoyer, 07/19/11